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15 September 1954

TO: Chief, Special Security Division

FROM: Chief, Cover Branch

SUBJECT: PHILLIPS, David Atlee
#40696 - SSD

REFERENCE: Memo from Chief, Projects Desk to Chief, SSD dated 8 September 1954 - same subject

GIST:

Referenced memorandum reflects that a limited badge was requested by PP Staff for the Subject in order that he might enter overt Agency buildings for a period of one year for indoctrination purposes. Subject will be a covert associate during this period and will subsequently be assigned to the field under non-official cover. The Cover Branch was requested to study the problem and make recommendations.

DETAILS:

1. By memorandum dated 1 September 1954 from Acting Chief, Psychological and Paramilitary Operations Staff, a limited badge was requested for Subject to permit him to enter the Administration Building, 2210 E Street, I, J, K and L Buildings for a period of one year. In support of this memorandum Mr. Frank Wisner, DD/P in a memorandum dated 14 July 1954 indicated his approval of Subject's preliminary training at Headquarters in preparation for his future assignment to the field under non-official cover. The request for a limited badge was concurred in by Staff C purely on the basis of Mr. Wisner's memorandum.

2. It is noted that Subject has been of interest to this Agency since 1950 and that an operational clearance was granted him on 14 January 1952 to enable his use as a cutout and other Agency functions in connection with specific OPC projects in contemplation. It is further indicated that Subject was in some wise connected with PBSUCCESS and made outstanding contributions to this operation. Nowhere does it appear that Subject has ever been openly identified with CIA or any other U. S. Governmental organization.

3. The hazards involved in Subject's working in Agency buildings are obvious. Not only will he become known to other Agency employees but any outsider interested in checking on Subject's activities and associations could easily trace him to these buildings by means of physical surveillance.

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A memo should be written to accompany the badge which would point out the security risks and make appropriate recommendations.

4. Should Subject's CIA connection become known, it would not only affect his future usefulness but might also serve to tie him and the Agency into PBSUCCESS.

5. In reaching a decision as to whether or not the Security Office should issue Subject a limited badge we should be governed by two factors; a. DD/P policy as reflected in CSN #10-12, b. Basic Security Office policy. As to the former, Mr. Wisner's memorandum of 14 July 1954 may be considered as a waiver of the restrictions contained in CSN #10-12. Sound security reasoning would normally result in a request of this nature being denied. However, due to Mr. Wisner's personal interest in this case and his apparent willingness to assume the risks involved and to deviate from usual DD/P policy, the Security Office could not very well refuse to issue the badge without precipitating an argument between Mr. Wisner's office and the Security Office. In granting the badge however, the Security Office should go on record that this is an exception to the general rule and should point out the specific hazards involved. Furthermore the badge should be issued with certain restrictions designed to protect the security of the individual and his proposed covert assignment.

ACTION:

It is recommended:

- a. That the limited badge be issued to the Subject as requested.
- b. That the badge be issued in pseudo, such pseudo to be used for this purpose only.
- c. That Subject not be identified by his true name during his tour of duty in Agency buildings.
- d. That Subject be instructed to confine his activities and contacts within the Agency to those persons with whom he is required to associate in connection with his duties.
- e. That the hazards involved in Subject's working in Agency buildings be pointed out to PP Staff and that they be advised that this case represents an exception to the general rule.
- f. That it be recommended to PP Staff that they arrange through Cover Division for a non-official cover for the Subject in order that he might be able to offer a plausible excuse to outsiders for his presence in Washington during the following year.

[John F. Rooney]
John F. Rooney
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HAMBY:mjp 15 Sept. 54-

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